



*Upcoming Changes to Student Loans -
What You Can Do Now*

WILL BEGIN IN A MOMENT

While you wait...

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Update: As of December 22, 2021
(after the webinar) repayment restart
has been delayed until
May 1, 2022. This PDF has been
updated to reflect that change



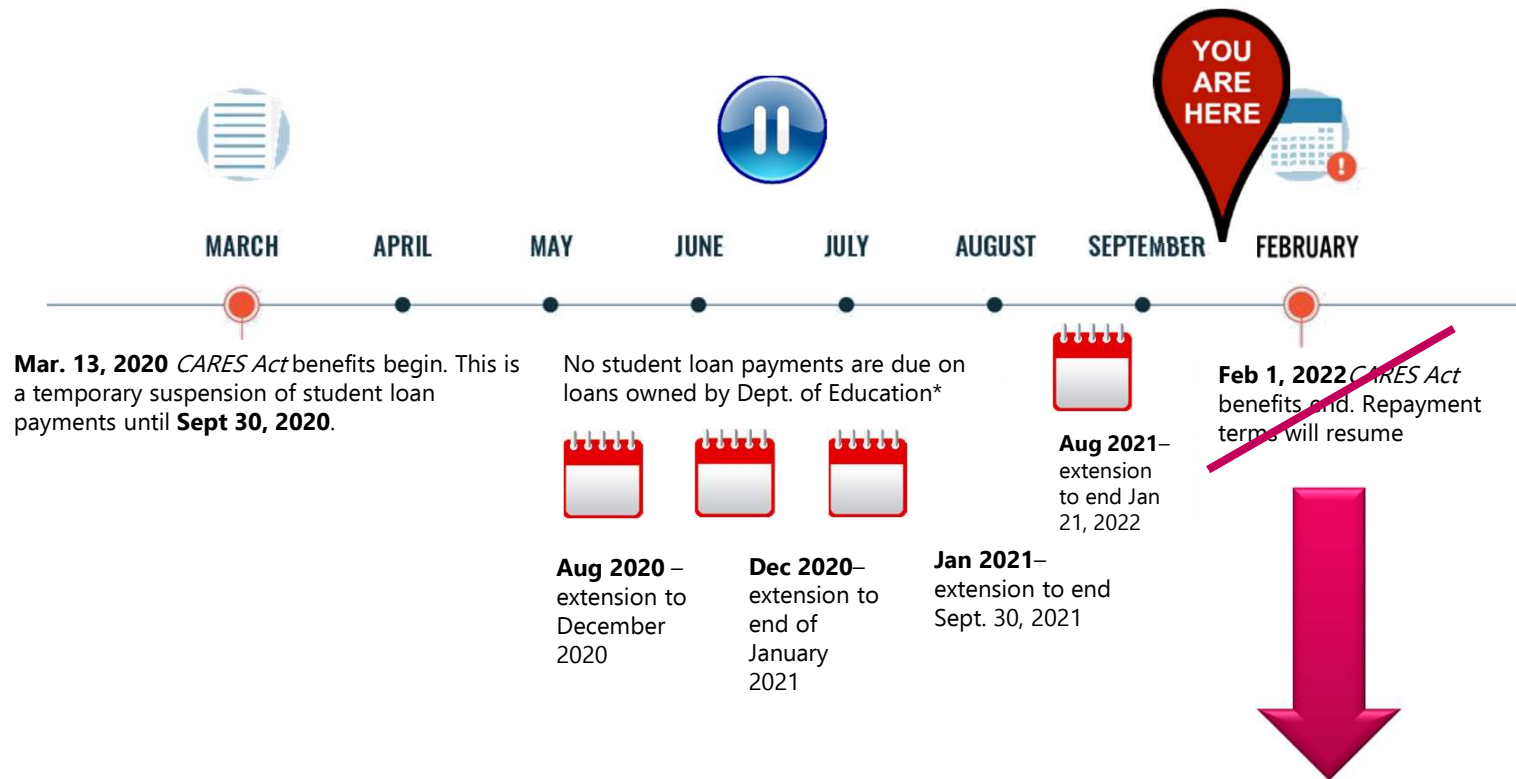


- What Happened & When
- Which Loans?
- What WILL BE Happening & When
- Changes to Loan Servicers
- What should student loan borrowers do?
- PSLF Temporary Waiver






What Happened & When

CARES ACT BENEFITS ARE SCHEDULED TO END JAN 31, 2022



****Update:** As of December 22, 2021 (after the webinar) repayment restart has been delayed until May 1, 2022

Which Loans?

Federally held loans 	Non Federally held FFELP Loans 	Private Loans 
<ul style="list-style-type: none"> ✓ Direct Student Loans through the federal government ✓ Loan directly through the Dept. of Education ✓ Defaulted FFELP loans ✓ Perkins loans held by Dept. of Ed. 	<ul style="list-style-type: none"> ✗ Older student lending program, usually referred to as Stafford loans are not eligible 	<ul style="list-style-type: none"> ✗ Loans through a bank or lending institution i.e Sallie Mae are not eligible



How Do I Know if This Affects My Loans?

StudentAid.gov

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Consolidation Loan	LOAN DATE	LOAN STATUS	REPAYMENT PLAN	INTEREST RATE	TOTAL BALANCE
	9/15/17	Forbearance	Income-Based Repayment Plan (IBR)	0.00%	\$22,897

[VIEW LOAN DETAILS >](#)

Or your **loan servicer** online account

fedloan
SERVICING

[> Print All Loan Details](#)

Loan Number	Date	Loan Program	Status	Principal Balance	Action
1	09/15/2017	DIRECT SUB CONSOLIDATION LOAN	Forbearance	\$22,865.76	View Details ▾



What happened

For **Federally** Held Student loans:

- 0% interest rate and no payments required (borrowers **can** opt-in to payments)
- Waiver period **DOES** count for PSLF, IDR forgiveness, defaulted loan rehabilitation purposes
- Credit report will reflect same as if borrower was paying





What happened

For **Defaulted** loans:

- Suspends involuntary collections
 - ✓ Wage garnishment
 - ✓ Reduction of tax refunds
 - ✓ Communications to borrowers





What Will Happen/When?

Servicers/ED to send at least six notices starting December 1, 2021

- Notifying of payment resumption
- Advising of IDR options if borrowers are struggling to make payments

----- Forwarded message -----

From: U.S. Department of Education <noreply@studentaid.gov>

Date: Wed, Oct 27, 2021 at 9:03 PM

Subject: Maria, your student loan payments restart after 1/31/2022.

The image is a screenshot of an email from the U.S. Department of Education. The email header shows it is from "Federal Student Aid". The main body of the email is on a dark blue background with white text. It reads: "Use Loan Simulator to see if a different payment plan is right for you." Below this, it says "Maria," followed by "We paused your federal student loan payments and temporarily set the interest rate on your loans to 0% during the COVID-19 emergency." Then, "Your payments will restart after Jan. 31, 2022." and "We'll reach out to you every month to help you prepare for payments to restart." At the bottom right, there is a white button with the text "Get the Latest Info".

Federal Student Aid

Use *Loan Simulator* to see if a different payment plan is right for you.

Maria,

We paused your federal student loan payments and temporarily set the interest rate on your loans to 0% during the COVID-19 emergency.

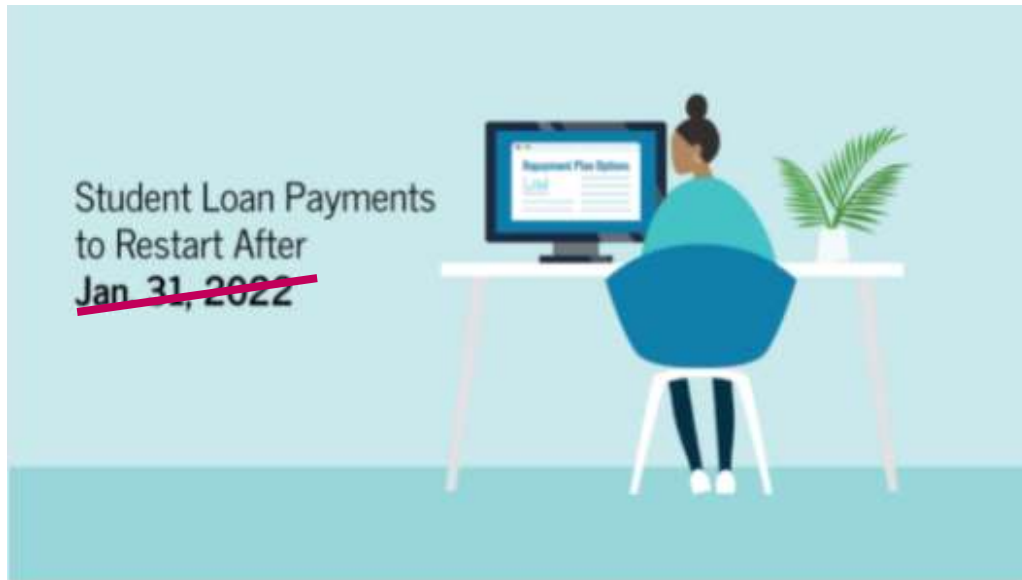
Your payments will restart after Jan. 31, 2022.

We'll reach out to you every month to help you prepare for payments to restart.

[Get the Latest Info](#)




What Will Happen/When?



- Payments & interest will **resume**
- Defaulted collections will resume
- Many will **not** be:
 - aware - out of sight out of mind
 - **able** to make payments
 - employed
 - on an income based repayment plan

Update: As of December 22, 2021 (after the webinar) repayment restart has been delayed until May 1, 2022

What Will Happen/When?

Will auto-debit payments restart after payments begin again? 

Your auto-debit payments **may not** restart automatically when payments begin again. Look for your status in the table below to see what you need to do to stay on auto-debit.

Status	Result
On auto-debit before March 13, 2020	Your servicer will contact you before the suspension ends to confirm whether you want to stay on auto-debit. If you do not respond to these communications, your servicer will stop your auto-debit.
Signed up for auto-debit after March 13, 2020	Auto-debit payments will resume automatically on your first due date when payments begin again.
Opted out of the payment suspension and are signed up for auto-debit	You don't have to take any action to stay on auto-debit.
Have loan(s) in default	Your auto-debit options may be a little different. Contact ED's Default Resolution Group to discuss your auto-debit options.
Have Perkins Loans and are paying through auto-debit during the payment suspension	You don't have to take any action to stay on auto-debit.
Have Perkins Loans and are not paying through auto-debit during the payment suspension	You are no longer signed up for auto-debit. Your loan servicer will contact you to let you know how to sign up again.

Contact your loan servicer if you have questions about your auto-debit or need to update your auto-debit banking information on file.



<https://studentaid.gov/announcements-events/covid-19#questions>



FAQ's

Will my regular monthly payment amount be recalculated?

If there was any unpaid, accrued interest on your account before the forbearance was applied, it may be necessary to recalculate your regular monthly payment amount after the forbearance ends.

Will the payment suspension cause me to take longer to pay off my loans?

Possibly. If you are in a standard, graduated or extended repayment plan, The payment suspension paused your repayment schedule.

If you are in an IDR plan estimated to receive forgiveness, your payment pause has not changed the forgiveness date.

Contact your loan servicer to confirm your payoff date.



Do I need to recertify my income for an Income Driven Repayment Plan?

You will **not have to** recertify your income before the end of the COVID-19 emergency relief period, even if your recertification date would have happened prior to the end of the relief period. As part of the payment suspension, your recertification date has been **pushed out** from your original recertification date.

You will be notified of your new recertification date before it is time to recertify. Update your contact information with your loan servicer if you have moved, changed phone numbers, or have a new email address.

<https://studentaid.gov/announcements-events/coronavirus>



We Expect Issues...

~~February 1, 2022~~

42 million
student loan
borrowers
entering
repayment at
the same time



Loan Servicer

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(after the webinar) repayment restart
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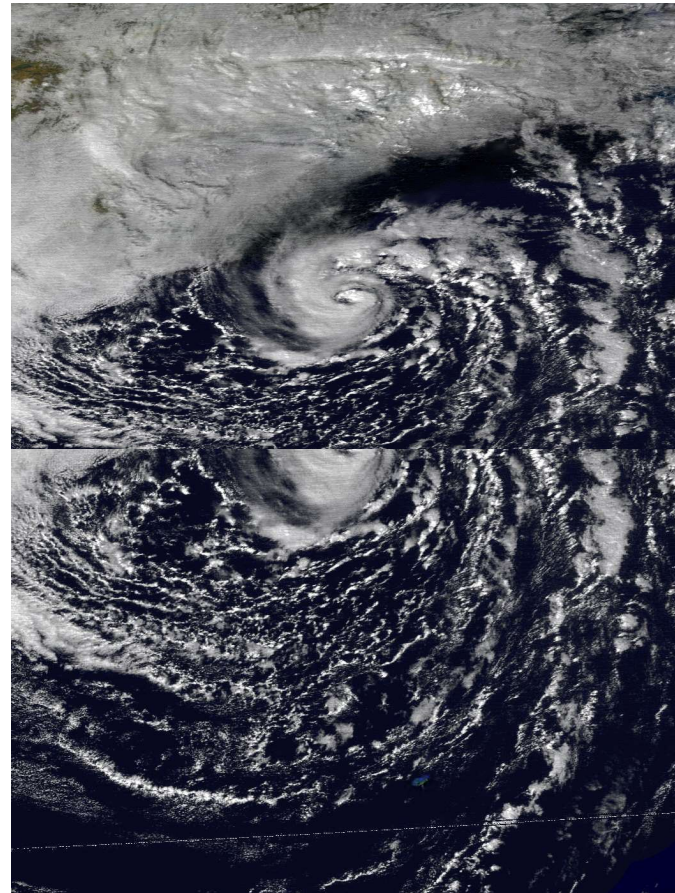
Two loan servicers are not renewing their contracts:

- Granite State loans started transferring loans to Edfinancial to be complete by end of 2021
- Navient will transfer loans to Aidvantage before end of 2021

FedLoan Servicing is scheduled to continue servicing loans until December 2022

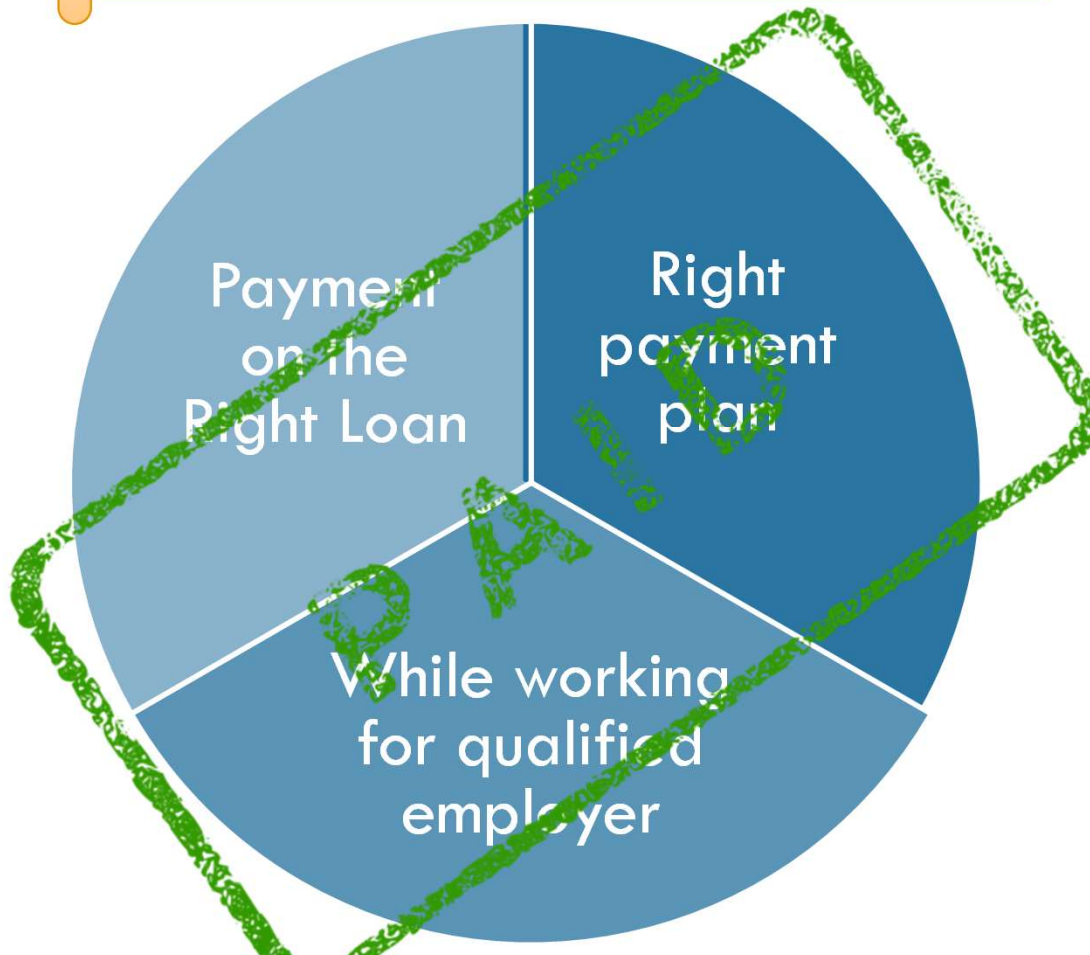
Mail/email will now be coming from a different source

The Perfect Storm



<https://studentaid.gov/announcements-events/granite-state-stop-servicing-loans>
<https://studentaid.gov/announcements-events/navient-stop-servicing-loans>

Qualifying Payment





PSLF Temporary Waiver

Public Service Loan Forgiveness

QUALIFYING PAYMENTS NOW INCLUDE:

1. FFEL and Perkins loans
2. Non-IDR repayment plans
3. Late and inaccurate payments

<https://studentaid.gov/announcements-events/pslf-limited-waiver>



PSLF Temporary Waiver

What borrowers should do:

- Use the PSLF tool to see if their payments are now eligible for PSLF
- Send in the Employer Certification form the PSLF Tool generates. Your eligible employer(s) since 2007 will need to verify your employment.
- If borrower has FFEL loans they will need to consolidate into Direct Loan Program **BEFORE 10/31/2022**

A screenshot of the Federal Student Aid website's PSLF Help Tool page. The page has a dark blue header with the title "Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool". Below the header, there is a white content area with a blue icon of two hands holding a dollar sign. The text explains the tool's purpose and provides a "Log In To Start" button. The page also includes a "Learn more about PSLF and TEPSLF" link.

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UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾ Log In | Create Account 🔍

Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool

The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process.

Using the PSLF Help Tool

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from FedLoan Servicing. For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under COVID-19 relief measures and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled "Special Notice for the COVID-19 Emergency" and [check out the limited PSLF waiver announcement](#).

[Learn more about PSLF and TEPSLF.](#)

Log In To Start

<https://studentaid.gov/pslf/>

What Borrowers Should Do



Update contact
info with their
loan servicer AND
[StudentAid.gov](#)



Log into
[StudentAid.gov](#)
to try the
Loan Simulator



Apply for an
Income Based
Repayment Plan
if needed (**NOW**)





Repayment Options

INCOME-DRIVEN REPAYMENT PLANS FOR FEDERAL STUDENT LOANS

REPAYMENT PLAN	PAYMENT	LOAN FORGIVENESS AFTER
Revised Pay As You Earn (REPAYE)	10 percent of your discretionary income	20 or 25 years of qualifying repayment
Pay As You Earn (PAYE)	Never more than 10 percent of your discretionary income	20 years of qualifying repayment
Income-Based Repayment (IBR)	Never more than 15 percent of your discretionary income	No more than 25 years of qualifying repayment
Income-Contingent Repayment (ICR)	Never more than 20 percent of your discretionary income	25 years of qualifying repayment

Log into [StudentAid.gov](https://studentaid.gov) to try the [Loan Simulator](#) and make a plan for your payments to start up again keeping in mind your current budget.

EXPLORE your repayment plan **OPTIONS.**

STANDARD

First Monthly Payment: **\$363**

REVISED PAY AS YOU EARN (REPAYE)

First Monthly Payment: **\$175**



Note: Estimate was calculated using Loan Simulator. Estimate assumes 4.53% interest rate on \$35,000 loan; family size one; tax filing status single; state of residence VA; and gross annual income \$40,100 with annual income increase of 2%.

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Ask for



WHAT'S THE DIFFERENCE BETWEEN
DEFERMENT AND FORBEARANCE?

	DEFERMENT OF SUBSIDIZED LOANS	DEFERMENT OF UNSUBSIDIZED LOANS	FORBEARANCE (ALL LOAN TYPES)
POSTPONES LOAN PAYMENTS	✓	✓	✓
ACCRES INTEREST THAT YOU WILL OWE		✓	✓
GOVERNMENT PAYS INTEREST	✓		
APPLIES WHEN YOU ARE IN SCHOOL	✓	✓	
YOU WILL PAY MORE IN THE LONG RUN		✓	✓

- Short-term payment relief in a deferment or forbearance
- Interest can accrue – no longer a COVID-19 forbearance



Your Role

What YOU Can Do

- Spread the word!
- Outreach to your alumni
- Watch FAME social media for info you can share
- Provide info on your website/social media
- Colleges: Expand or create student loan counseling resources on campus
- Share FAME contact info
- **Warn about student loan scams**

Federal Student Aid Resources at
<https://financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=return-to-repayment>.



The Big Message is – Get Ready! You can do this!



- Begin setting aside your monthly student loan payment now in order to re-establish the habit of making that payment.

- Work toward getting your financial house in order.
 - If possible pay off debt, increase available cash and reduce expenses

FAME.Enrich.com has tools for all Mainers not currently enrolled in college.

FAME.iGrad.com is for high school students and current college students





More Resources

- Financial Wellness during COVID19
 - <https://www.famemaine.com/education/topics/money-management/covid-19-financial-wellness/>

- ECMC – free student loan counseling for Maine borrowers
 - <https://www.ecmcsolutions.org/>

- The Institute of Student Loan Advisors
 - freestudentloanadvice.org

- Federal Student Aid
 - <https://studentaid.gov/announcements-events/covid-19>



Thank you for joining us today! Find more FREE resources and information at [FAMEmaine.com/education](https://www.FAMEmaine.com/education).

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TTY: 207-626-2717